

Spero News

More indicted on federal FEMA fraud charges

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A federal grand jury returned indictments against seven more Louisiana residents on federal FEMA fraud charges, U.S. Attorney David R. Dugas today announced.

Debbie Foster, 34, of Baton Rouge, Louisiana, was charged in a two-count indictment with making false and fraudulent claims for disaster assistance benefits and with making false and fraudulent statements to FEMA. The charges resulted from an investigation conducted by the U.S. Department of Homeland Security, Office of the Inspector General; and the Federal Bureau of Investigation. If convicted, Foster faces a maximum sentence of five years imprisonment and a \$250,000 fine per count.

Keosha N. Martin, 24, of Baton Rouge, Louisiana, was charged in a three-count indictment with making false and fraudulent claims for disaster assistance benefits. The indictment alleges that from in or about October 2005, to in or about November 2005, Martin was employed by FEMA as an Applicant Assistant whose duties included assisting disaster victims to apply for FEMA benefits. On three separate occasions in September 2005, Martin filed or caused to be filed, three fraudulent claims with FEMA for disaster assistance benefits. The charges resulted from an investigation conducted by the U.S. Department of Homeland Security, Office of the Inspector General; and the Federal Bureau of Investigation. If convicted, Martin faces a maximum sentence of five years imprisonment and a \$250,000 fine per count.

Sharon D. Dalcourt, 45, of Baton Rouge, Louisiana, was charged in a one-count indictment with making false and fraudulent statements to FEMA regarding damages incurred as a result of Hurricane Katrina.

The charges resulted from an investigation conducted by the U.S. Secret Service; the U. S. Department of Homeland Security, Office of the Inspector General; and the Federal Bureau of Investigation. If convicted, Dalcourt faces a maximum sentence of five years imprisonment and a \$250,000 fine.

Jenny L. Lowery, 22, of Baton Rouge, Louisiana, was charged in a two-count indictment

with making false and fraudulent claims for disaster assistance benefits and with making false and fraudulent statements to FEMA.

The charges resulted from an investigation conducted by the U.S. Department of Homeland Security, Office of Inspector General; and the Federal Bureau of Investigation. If convicted, Lowery faces a maximum sentence of five years imprisonment and a \$250,000 fine per count.

Dedrick M. Jackson, 22, of Baton Rouge, Louisiana, was charged in a two-count indictment with making false and fraudulent claims for disaster assistance benefits and with making false and fraudulent statements to FEMA. The charges resulted from an investigation conducted by the U.S. Postal Service, Office of Inspector General; the U.S. Department of Homeland Security, Office of Inspector General; and the Federal Bureau of Investigation.

If convicted, Jackson faces a maximum sentence of five years imprisonment and a \$250,000 fine per count.

Whitney R. Paul, 19, of Donaldsonville, Louisiana, was charged in a two-count indictment with making false and fraudulent claims for disaster assistance benefits and with making false and fraudulent statements to FEMA. The charges resulted from an investigation conducted by the U.S. Department of Homeland Security, Office of Inspector General; and the Federal Bureau of Investigation. If convicted, Paul faces a maximum sentence of five years imprisonment and a \$250,000 fine per count.

Darren O. Haynes, 35, of Baton Rouge, Louisiana, was charged in a five-count indictment with making false and fraudulent claims for disaster assistance benefits, making false and fraudulent statements to FEMA, and illegal use of a Social Security Number. The charges resulted from an investigation conducted by the U.S. Department of Homeland Security, Office of Inspector General; the Social Security Administration, Office of Inspector General; and the Federal Bureau of Investigation. If convicted, Haynes faces a maximum sentence of five years imprisonment and a \$250,000 fine per count.

These individuals bring the total number of defendants who have been charged in the Middle District of Louisiana with violations related to FEMA relief funds to 42.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud and insurance fraud. The Hurricane Katrina Fraud Task Force-chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division-includes members from the FBI, the Federal Trade Commission, the Postal Inspector's Office, and the Executive Office for United States Attorneys, among others.

Relatedly, United States Attorney Chuck Rosenberg announced the return of a 39-count

indictment charging Daniel Yeh, 52, of Sugar Land, Texas, with 22 counts of wire fraud and 17 counts of filing false claims against the Federal Emergency Management Agency (FEMA). Yeh is the principal owner of Flagship Hotel Ltd., which operates the Flagship Hotel (Flagship), located at 2501 Seawall Boulevard in Galveston, Texas.

Yeh is accused of wire fraud and filing false claims totaling at least \$232,000 in connection with disaster relief lodging programs for hurricane evacuees funded by FEMA's Public Assistance Program. This case is the first of its kind in the nation. Eight others were previously arrested in this district on charges of fraud in connection with hurricane disaster relief programs.

After Hurricane Katrina, a FEMA Public Assistance grant funded the Special Transient Accommodations and Assistance Program (STAAP) administered by the Red Cross, and later known as the Short-Term Lodging program (SLP) administered by FEMA, allowed hurricane evacuees from designated disaster areas to stay in hotels free of charge. The FEMA grant programs reimbursed those hotels for the evacuee's stay.

According to the indictment, the Flagship enrolled in the FEMA lodging programs after Hurricane Katrina to provide hotel rooms for evacuees and continued to participate in the programs after Hurricane Rita. The indictment alleges that between October 1, 2005, and December 15, 2005, Daniel Yeh knowingly devised a scheme to defraud the federal disaster relief programs of at least \$232,000. As part of the scheme, it is alleged that Daniel Yeh took over the task of billing the federal lodging programs online after Hurricane Rita.

Yeh is accused of filing fraudulent claims for reimbursement for (1) rooms in the names of hotel employees who previously stayed at the Flagship free of charge as part of their employment arrangement; (2) rooms in the name of supposed hurricane evacuees on dates when those rooms were occupied by paying hotel guests with different names; (3) rooms occupied by friends, relatives, and employees of his wife's business, who were recruited to stay at the hotel, but were not evacuees; (4) rooms in the names of supposed hurricane evacuees who never had rooms at the Flagship; (5) rooms in the name of supposed hurricane evacuees on dates when those rooms were unoccupied; (6) for multiple rooms in the names of a single guest when, in fact, the guest occupied fewer rooms than billed.